



Report to Policy Committee

Author/Lead Officer of Report: Tammy Whitaker, Head of Regeneration and Property Services

Tel:

Report of: *Kate Martin, Executive Director City Futures*

Report to: *Strategy and Resources Committee*

Date of Decision: *30th August 2022*

Subject: *Policy for the Disposal of Council Owned Land and Property*

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? 1241				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				
<p><i>“The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended).”</i></p>				

Purpose of Report:

Sheffield City Council holds a substantial portfolio of land and property assets some of which are no longer required for the delivery of services to the public. This report seeks approval of a Disposals Framework for council land and property.

The Framework provides guidance to decision makers, officers and Elected Members to ensure that the Council is compliant with its legal, financial and statutory duties.

Recommendations:

- That the attached Disposals Framework be adopted as Council Policy
- That the Council's Chief Property Officer be authorised in consultation with the Chair of Finance Sub-Committee and the Director of Legal Services to revise and reissue the Disposals Framework as required.

Background Papers:

(Insert details of any background papers used in the compilation of the report.)

None

Lead Officer to complete:-	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: James Lyon
	Legal: David Sellars
	Equalities & Consultation: <i>Annemarie Johnston</i>
	Climate: Jessica Rick
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>
2	EMT member who approved submission: <i>Kate Martin, Executive Director City Futures</i>
3	Committee Chair consulted: <i>Bryan Lodge/Zahira Naz, Finance sub Committee</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.
	Lead Officer Name: <i>Tammy Whitaker</i>
	Job Title: <i>Head of Regeneration and Property Services</i>
Date: <i>30th August 2022</i>	

1. PROPOSAL

1.1 **Background Sheffield Land and Property Plan**

Sheffield City Council holds a substantial portfolio of land and property assets some of which are no longer required for the delivery of services to the public.

1.2 The 'Sheffield Land and Property Plan,' approved by Co-operative Executive in October 2021, sets out at a high level how the Council will use and manage its land and property assets to unlock resources and maximise use for the benefit of communities. The plan provides a framework and set of principles to guide decision making on the use of the Council's estate.

1.3 The Land and Property plan highlights the need to modernise the Estate, to ensure that the Council can deliver services from appropriate, modern facilities reflecting the city's ever changing demographics, and new ways of working. However, the estate has developed over time and reflects a historic position. Land or buildings have been gifted to the Authority or acquired in the past and some are no longer in the right location, accessible or suitable to embrace new ways of working and modern service delivery. In its current shape and condition, much of the estate is no longer fit for purpose and there is an urgent requirement to move to a more flexible delivery model utilising a smaller, high quality estate providing a wider range of public and community services which are delivered to meet customer need.

1.4 Responding to these challenges alongside budget reductions and service transformation requires the Council's property base to be more agile than ever, maximising use, minimising running costs, and rationalising the estate in a timely, cost effective manner.

1.5 In order to effectively manage its estate the Council may choose to dispose of some assets which are no longer required for the delivery of operational services. This report therefore seeks approval of a Disposals Framework for council land and property.

1.6 **Disposals Framework**

The Disposals Framework sets out the policy and process for the disposal of surplus assets, to ensure openness and transparency. It provides guidance to decision makers, Officers and Elected Members to ensure that the Council is compliant with its legal, financial and statutory duties. Usually this requires the Council to obtain 'best consideration' ie the best terms reasonably available for a disposal, with all interested parties being allowed an opportunity to put forward a bid to lease or purchase a surplus asset without partiality or bias.

1.7 There have been a number of high profile cases of Local Authorities who have faced challenges as a result of a lack of clarity on decision making

relating to disposals. It is therefore important that the Council has a clear policy which is adhered to in order to demonstrate best consideration in dealing with disposal of surplus assets.

- 1.8 Adoption of the Disposals Framework as Council Policy will promote a clear, transparent and consistent approach and support the Council in defending any allegations of impropriety or challenge to the legality of a disposal. It will also assist in optimising the receipts from asset disposals which can then be used to maintain or reinvest in service delivery for the benefit of the people of Sheffield.
- 1.9 It should be noted that the Disposals Framework does not cover Community Asset Transfer – a process whereby a community organisation applies to take over publicly-owned land or buildings. This will be the subject of a further report.

2. HOW DOES THIS DECISION CONTRIBUTE ?

- 2.1 Effective estate and asset management is one of the key issues for delivery of the emerging council priorities for the Corporate Plan. Given unprecedented financial challenges, the Council needs to reduce the running and maintenance costs of the estate. This can be achieved in a number of ways including rationalisation of the estate, releasing assets which are surplus to requirements.
- 2.2 To this end the One Year Plan 2021-22 included an action to agree a plan to unlock resources and maximise the use of physical assets for communities. The Disposals Framework will form an important part of the estate accommodation review/asset optimisation programme designed to save £15m over the longer term and provide much needed resources to reinvest in service delivery.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 The Council is not required to consult the public on this issue.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

- 4.1.1 The framework will provide an overall policy setting out the process and procedures for the disposal of Council owned land and buildings as such there are no specific equality impacts. Equality impacts will be considered for specific disposals if required when those decisions are taken.

4.2 Financial and Commercial Implications

4.2.1 The Chief Finance Officer has overall responsibility for the financial elements of the Council's asset register and for ensuring that it complies with all the necessary accounting requirements. This framework supports the Chief Finance Officer in ensuring compliance with asset disposals. The release of assets will form part of the Council's budget planning process and the MTFS.

4.3 Legal Implications

4.3.1 The framework provides guidance about the legal basis for disposals and the process and procedures which should be followed. This will help to guard against legal challenges and ensure that where a challenge is brought it can be successfully defended.

In addition to the relevant statutory provisions it is important that disposals are consistently dealt with in line with the Council's constitution, governance and decision making procedure and these are summarised within the framework

4.4 Climate Implications

4.4.1 Consideration of climate implications and a full CIA will be undertaken if appropriate for specific assets where alternative service use or disposal is being undertaken.

4.4 Other Implications

4.4.1 None

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 The main alternative option is to continue using the Disposals Framework approved by the Cabinet Member for Finance and Resources in 2013. However, this does not take account on the new governance arrangements and committee system introduced in 2022, recent case law and best value reviews of Local Authorities and best practice, neither does it fully address certain areas of policy such as disposal at less than best consideration. This leaves the Council at risk of exposure to challenge and the requirement to use scarce resources to defend actions.

6. REASONS FOR RECOMMENDATIONS

6.1 Disposal of Land and Property by public authorities can be controversial and there has been recent scrutiny of a number of Local Authorities regarding estate management practice, disposals and achieving best value in property transactions. It is therefore important that decision makers, Officers and Elected Members are provided with clear guidelines and procedures for good governance to reduce the risk of challenge.

